

## Message Text

LIMITED OFFICIAL USE

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ACTION TRSE-00

INFO OCT-01 EA-10 NEA-10 ISO-00 SP-02 USIA-06 AID-05  
EB-08 NSC-05 SS-15 STR-04 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03  
LAB-04 SIL-01 IO-13 H-01 L-03 PA-01 PRS-01 /107 W  
-----093460 290212Z /73

R 290030Z AUG 77  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 4300  
INFO AMEMBASSY DACCA

LIMITED OFFICIAL USE MANILA 13443

USADB

E.O. 11652: N/A  
AGS: EAID, EFIN, BG  
SUBJECT: CHANGE IN SCOPE OF GREATER DACCA GAS DISTRIBUTION  
PROJECT

REF: (A) TREASURY 77-104, (B) MANILA 12266

1. ON AUGUST 25, BAORD OF DIRECTORS DISCUSSED ISSUE OF NON-  
COMPLIANCE OF TARIFF INCREASE BY BANGLADESH GOVERNMENT AS  
MANDATED BY LOAN COVENANT UNDER ADB LOAN FOR GREATER DACCA  
GAS DISTRIBUTION PROJECT.

1. HAVING SENSED IN EARLIER BOARD MEETINGS TENDENCY OF SOME  
DIRECTORS TO CONSIDER THAT COVENANTS WERE GENERALLY TOO  
RESTRICTIVE AND THAT MANAGEMENT WAS TOO RIGID REGARDING THEIR  
ENFORCEMENT, U.S. ED USED OPPORTUNITY TO STRESS ADVANTAGES  
MULTILATERAL LENDING INSTITUTIONS HAVE AS COMPARED WITH  
BILATERAL DONORS TO GET BORROWERS TO WORK TOWARD DESIRED  
ECONOMIC GOALS THROUGH INSTITUTION OF APPROPRIATE COVENANTS.  
BELIEVE THIS WAS CLEARLY ACCOMPLISHED AS SUPPORT WAS RECEIVED  
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FROM ALL DEVELOPED COUNTRY DIRECTORS (EXCEPT JAPANESE  
DIRECTOR WHO WAS SILENT). EVEN INDIAN DIRECTOR, WHO EARLIER  
IN BOARD SESSION HAD ARGUED THAT COVENANTS FOR ENERGY  
SECTOR LOANS ARE NOT REALLY CAPABLE OF BEING CARRIED OUT,  
CAME OFF HIS POSITION BY SAYING HE DID NOT MEAN TO  
MINIMIZE IMPORTANCE OF COVENANTS.  
EDMOND

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GASES, DEVELOPMENT LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 29-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MANILA13443  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770311-0205  
**Format:** TEL  
**From:** MANILA USADB  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770813/aaaaakkn.tel  
**Line Count:** 62  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 3afd5751-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 MANILA 12266  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 02-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1451282  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CHANGE IN SCOPE OF GREATER DACCA GAS DISTRIBUTION PROJECT  
**TAGS:** EAID, EFIN, RP, ADB  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/3afd5751-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009